

Consumer Impact Analysis

Colorado Individual Exchange Renewals

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COLORADO
Department of
Regulatory Agencies
Division of Insurance

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Overview

- Colorado Department of Regulatory Agencies (DORA) provided support to Wakely Consulting Group to analyze Connect for Health Colorado (C4) individual market rate changes before and after federal premium subsidies
- Analysis was performed using QHP templates provided by DORA and enrollment data provided by C4
- Analysis includes only those plans offered by C4 in the individual market

Definitions

- Subsidy-eligible: Reported % of FPL in Enrollment detail between 0% and 400%
- Non-Subsidy-eligible: Reported % of FPL in Enrollment detail above 400%, NULL, or -1
- Discontinued Plans:
 - Plans that are not cross-walked to a 2017 plan on the exchange
 - Areas within continuing plans where plan is no longer available in a specific county/zip
- Enrollee: Individual member enrolled in a plan
- Household: Group of family members covered by same plan
- County/zip group: Subset of zip codes within a county where all zip codes have same benchmark plan

Key Findings - Consumer Choice

- Fewer carriers are offering plans through C4 in 2017
 - One new carrier is offering coverage in eight counties
 - Only one carrier has plan options in every county of the state in 2017
 - Four carriers pulled off the exchange in 2017
 - There will be three or fewer carrier options in 53 of 64 counties in the state (14 will only have one option)
- The number of plan options is decreasing in all areas of the state
 - The average number of plans available will decrease from 77 in 2016 to 48 in 2017 (weighted by enrollment)
 - For any given county, the number of plan offerings is decreasing by between 15 and 38 plans
 - No Platinum plans are offered by any carrier on the exchange
- 49,681 consumers (32%) are enrolled in plans no longer being offered in their area in 2017 and will need to select new plans

Key Findings - Premium Changes

Non Subsidy-Eligible

- For non subsidy-eligible enrollees in 2016, premiums for plans continuing in 2017 are increasing by 24% on average (weighted on enrollment)

Metal Tier	Enrollees Not Eligible for Subsidies	2016 PMPM Premium	2017 PMPM Premium - Auto Renew	% Change Over 2016
Gold	3,907	\$359	\$443	23%
Silver	8,308	\$329	\$403	22%
Bronze	20,579	\$301	\$378	25%
Catastrophic	1,222	\$170	\$207	22%
Total	34,016	\$310	\$385	24%

- No Platinum plans are available on the exchange in 2017

Key Findings - Premium Changes

Non Subsidy-Eligible

- Enrollees in Grand Junction and the East region will experience the largest premium increases if they auto-renew
- Enrollees in Denver, Pueblo, and Boulder will experience the lowest average increases

Rating Area	Description	Enrollees Not Eligible for Subsidies	2016 PMPM Premium	2017 PMPM Premium – Auto Renew	% Change
1	Boulder	3,839	\$300	\$367	22%
2	Colorado Springs	3,068	\$299	\$386	29%
3	Denver	19,373	\$296	\$355	20%
4	Fort Collins (Larimer)	2,917	\$319	\$408	28%
5	Grand Junction (Mesa)	325	\$414	\$592	43%
6	Greeley (Weld)	1,443	\$321	\$407	27%
7	Pueblo	320	\$374	\$452	21%
8	East	1,084	\$384	\$560	46%
9	West	1,647	\$414	\$551	33%

Key Findings - Consumer Savings

Non Subsidy-Eligible

- Many consumers will have an opportunity to find lower cost plans in 2017 if they shop

Metal Tier	Enrollees Not Eligible for Subsidies	2017 PMPM Premium - Auto Renew	2017 PMPM Premium – Switch to Lowest Cost	% Savings Opportunity of Switching on Avg.
Gold	3,907	\$443	\$405	9%
Silver	8,308	\$403	\$363	10%
Bronze	20,579	\$378	\$344	9%
Catastrophic	1,222	\$207	\$191	8%
Total	34,016	\$385	\$350	9%

Key Findings - Change in Average Subsidies

- The second lowest cost silver premium used for determining subsidies is increasing by 19% on average for subsidy-eligible enrollees
- Average subsidy PMPM increases by \$126, or 55%
- The East region and Mesa show the largest increases

Rating Area	Description	Enrollees Eligible for Subsidies	2016 PMPM Subsidy	2017 PMPM Subsidy	Change in Average PMPM Subsidy	% Change in Average PMPM Subsidy
1	Boulder	6,233	\$202	\$306	\$104	52%
2	Colorado Springs	5,910	\$203	\$336	\$133	65%
3	Denver	36,557	\$206	\$302	\$96	47%
4	Fort Collins (Larimer)	6,690	\$224	\$363	\$139	62%
5	Grand Junction (Mesa)	2,077	\$389	\$641	\$252	65%
6	Greeley (Weld)	3,418	\$240	\$389	\$149	62%
7	Pueblo	1,228	\$342	\$496	\$154	45%
8	East	4,130	\$335	\$557	\$222	66%
9	West	5,775	\$308	\$493	\$185	60%
Total		72,018	\$232	\$358	\$126	55%

Key Findings - Premium Changes

Subsidy-Eligible

- Before subsidies, premiums for subsidy-eligible enrollees are increasing by \$110PMPM on average while subsidies are increasing by \$126PMPM on average
- As a result, subsidized premiums are decreasing by 11% on average

Metal Tier	Enrollees Eligible for Subsidies	2016 PMPM Premium After Subsidy	2017 PMPM Premium After Subsidy - Auto Renew	% Change Over 2016
Gold	3,598	\$260	\$270	4%
Silver	34,048	\$143	\$136	-5%
Bronze	33,654	\$128	\$100	-22%
Catastrophic*	718	\$177	\$215	21%
Total	72,018	\$142	\$126	-11%

* Subsidies are not available for Catastrophic plans

Key Findings - Premium Changes

Subsidy-Eligible

- Enrollees in the East region will experience the least premium reduction after subsidy premium if they auto-renew

Rating Area	Description	Enrollees Eligible for Subsidies	2016 PMPM Premium After Subsidy	2017 PMPM Premium After Subsidy - Auto Renew	% Change Over 2016
1	Boulder	6,233	\$143	\$125	-12%
2	Colorado Springs	5,910	\$147	\$130	-11%
3	Denver	36,557	\$142	\$129	-9%
4	Fort Collins (Larimer)	6,690	\$147	\$123	-17%
5	Grand Junction (Mesa)	2,077	\$141	\$115	-18%
6	Greeley (Weld)	3,418	\$152	\$123	-19%
7	Pueblo	1,228	\$138	\$99	-28%
8	East	4,130	\$133	\$129	-3%
9	West	5,775	\$136	\$121	-11%

Key Findings - Consumer Savings

Subsidy-Eligible

- While on average premiums after subsidy are decreasing from 2016, many consumers will have an opportunity to find even lower cost plans in 2017 if they shop

Metal Tier	Enrollees Eligible for Subsidies	2017 PMPM Premium After Subsidy - Auto Renew	2017 PMPM Premium After Subsidy – Switch to Lowest Cost	% Savings Opportunity of Switching on Avg.
Gold	3,598	\$270	\$235	13%
Silver	34,048	\$136	\$92	32%
Bronze	33,654	\$100	\$68	31%
Catastrophic	718	\$215	\$197	8%
Total	72,018	\$126	\$89	29%

Key Findings - Consumer Savings Subsidy-Eligible

Rating Area	Description	Enrollees Eligible for Subsidies	2017 PMPM Premium After Subsidy - Auto Renew	2017 PMPM Premium After Subsidy - Lowest	% Savings Opportunity of Switching on Avg.
1	Boulder	6,233	\$125	\$93	26%
2	Colorado Springs	5,910	\$130	\$82	37%
3	Denver	36,557	\$129	\$97	25%
4	Fort Collins (Larimer)	6,690	\$123	\$81	34%
5	Grand Junction (Mesa)	2,077	\$115	\$75	34%
6	Greeley (Weld)	3,418	\$123	\$84	31%
7	Pueblo	1,228	\$99	\$73	27%
8	East	4,130	\$129	\$87	33%
9	West	5,775	\$121	\$67	45%

- Highest opportunity for savings (as a % of premium) in Colorado Springs and West Rating Areas

Key Findings - Subsidy Use

- Approximately 19,350 enrollees appear to be eligible for Cost Sharing Reduction (CSR) plans but are not enrolled in Silver plans so they cannot take advantage of CSRs
 - Roughly 16,700 of these are in Bronze plans
 - More than 2,000 of these are in Gold or Platinum plans, of which roughly 1,100 have household incomes below 200% FPL and are eligible for CSRs that would provide similar value plans for a lower premium
- 1,404 enrollees appear to be eligible for premium subsidies but are enrolled in Catastrophic plans
- Due to the increase in the second lowest cost silver premiums in most areas of the state, there are 4,700 households in coverage through C4 who can now receive subsidies because the cost of the benchmark plan is higher than their required contribution